

Assembly Bill No. 150

Passed the Assembly September 11, 2007

Chief Clerk of the Assembly

Passed the Senate September 10, 2007

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2007, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to add Chapter 13.5 (commencing with Section 52980) to Part 28 of Division 4 of Title 2 of the Education Code, relating to financial literacy.

LEGISLATIVE COUNSEL'S DIGEST

AB 150, Lieu. California Financial Literacy Initiative.

The California Constitution requires the Legislature to encourage the promotion of intellectual improvement. Existing law regulates financial institutions and their interactions with the public. Existing law recognizes the existence of specialized financial institutions that provide services, including, but not limited to, financial literacy training, to underserved communities. Existing law requires, after January 1, 2003, and concurrently with, but not prior to, the next revision of textbooks or curriculum frameworks in the social sciences, health, and mathematics curricula, that the State Board of Education ensure that these academic areas integrate specified components, including financial preparedness.

This bill would establish the California Financial Literacy Initiative for the purpose of improving financial literacy by offering instructional materials for teachers and parents to provide high-quality financial literacy education for pupils in kindergarten and grades 1 to 12, inclusive. The initiative would be administered by the Superintendent of Public Instruction. The Superintendent would be authorized to provide, among other things, an online library of financial literacy resources and materials to be made available for schools, teachers, parents, and pupils. The Superintendent also would be authorized to convene a Financial Literacy Advisory Committee that may include representatives of the office of the Superintendent, the office of the Treasurer, the Department of Corporations, the Department of Financial Institutions, and the office of the Controller.

The Superintendent, beginning in 2010, would be required to report biennially on or before January 1 to the Legislature on specified data to be collected about the materials included in the online library of financial literacy resources by the authors or publishers of those materials, at their option.

The bill would require specified state agencies to use existing resources for the initiative if they elect to participate.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) The average American household consumer credit card debt is about eight thousand dollars (\$8,000).

(b) Forty-three percent of American families spend more than they earn, and data from the Federal Reserve states that Americans hold a total debt of \$1.9773 trillion, not including mortgage debt, averaging eighteen thousand six hundred fifty-four dollars (\$18,654) per household.

(c) High school seniors taking part in a national survey of financial knowledge scored an average of 52.4 percent, which is a failing grade.

(d) Undergraduate students reported their freshman year as the most prevalent time for obtaining credit cards, with 56 percent reporting that they obtained their first credit card at 18 years of age.

(e) Almost 24 percent of undergraduate students reported using credit cards for tuition.

(f) Studies have shown that young adults who are 18 to 24 years of age suffer higher rates of theft of their personal financial information than any other age group.

(g) Many groups are dedicated to increasing the financial literacy of Americans and a broad range of quality personal finance instructional materials and curricula have been created for this purpose.

(h) California does not have an official statewide policy or educational plan for the teaching of financial literacy.

(i) Financial literacy materials and resources exist in many forms but are not organized or collected in a systematic manner.

(j) The teaching of financial literacy skills is vital to equip the young people of California with the tools they need to enter the financial marketplace.

SEC. 2. Chapter 13.5 (commencing with Section 52980) is added to Part 28 of Division 4 of Title 2 of the Education Code, to read:

CHAPTER 13.5. CALIFORNIA FINANCIAL LITERACY INITIATIVE

52980. For purposes of this chapter, “initiative” means the California Financial Literacy Initiative.

52981. (a) The California Financial Literacy Initiative is hereby established as a program for improving financial literacy by offering instructional materials for teachers and parents to provide high-quality financial literacy education for pupils in kindergarten and grades 1 to 12, inclusive.

(b) The initiative shall be administered by the Superintendent.

52982. (a) The goals for the initiative are to accomplish both of the following:

(1) Provide pupils in kindergarten and grades 1 to 12, inclusive, with tools they will need after high school to manage their finances, including tools to protect their financial information from theft.

(2) Promote high-quality programs that provide instruction on pertinent financial literacy issues as determined by the Superintendent.

(b) The Superintendent may do all of the following:

(1) Provide an online library of financial literacy resources and materials to be made available for schools, teachers, parents, and pupils.

(2) Coordinate and collaborate with financial institutions, financial services providers, and nonprofit community organizations in collecting and distributing financial literacy materials.

(3) Organize financial literacy materials, to be made available in a manner that ensures that materials are matched to the appropriate grade span.

52983. (a) The Superintendent may convene a Financial Literacy Advisory Committee to review materials that can be provided on the Internet in a centralized location for access by local educational agencies for purposes of ensuring that pupils in kindergarten and grades 1 to 12, inclusive, have access to grade-level-appropriate financial literacy resources.

(b) The Financial Literacy Advisory Committee may include representatives of the office of the Superintendent, the office of the Treasurer, the Department of Corporations, the Department of Financial Institutions, and the office of the Controller.

52984. (a) Financial institutions, financial services providers, nonprofit community organizations, and other publishers whose materials or resources are included in the online library provided pursuant to paragraph (1) of subdivision (c) of Section 52983 may include in those materials a means of collecting data, including, but not limited to, all of the following:

- (1) The estimated number of users.
- (2) The grade span of the intended user.
- (3) Whether the person accessing the material is a pupil, teacher, administrator, parent, or other interested person.
- (4) Any other relevant information that would aid in the purpose of this chapter.

(b) Beginning in 2009, the data collected pursuant to subdivision (a) shall be reported to the Superintendent biennially on or before August 1. Beginning in 2010, the Superintendent shall prepare biennially a report on the data collected pursuant to subdivision (a) for the Legislature on or before January 1.

52985. It is the intent of the Legislature that state agencies involved in the Financial Literacy Advisory Committee shall actively support the initiative. State agencies in the executive branch of government, including boards, commissions, and constitutional officers, shall use existing resources for the initiative if they elect to participate.

Approved _____, 2007

Governor